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Vietnam  
CIA 1-04 Matthias, Willard

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# Secret Memo by CIA Admits U.S. Puppet In Vietnam Is Losing

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A SECRET MEMORANDUM by the CIA, which the Administration was compelled to make public over the weekend, admits that there "is serious doubt that victory can be won" in South Vietnam, and that "the situation remains very fragile."

The memorandum was written by Willard Matthias, a member of the CIA's Board of National Estimates, one of the highest units in the organization. The 50-page report, entitled "Trends in the World Situation," was dated June 8. It was made public after the Administration learned that the Chicago Tribune had secured a copy and was planning to run excerpts from it.

"No end appears in sight" for the "guerrilla war in South Vietnam (which) is in its fifth year," the memo says.

It admits that the "Vietcong in the South, dependent upon their own resources" are "pressing their offensive more vigorously than ever."

The memorandum concedes that the regime of Nguyen Khanh holds no assurances of victory for the U.S.

"The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the regime's destruction.

"The counter-guerrilla effort continues to flounder, partly because Diem's successors have not yet demonstrated the leadership and inspiration necessary."

The CIA document suggests as an alternative U.S. policy the continuation of "large-scale U.S. support" as the means of achieving a "prolonged stalemate." Even such a standoff is possible only if "further political deterioration within South Vietnam is prevented," Matthias wrote.

He projected the possibility of "political evolution within the country and developments upon the world scene" leading to "some kind of negotiated settlement based upon neutralization."

The Johnson Administration, however, rejected the proposal for "neutralization," when it was made several weeks ago by President Charles de Gaulle.

The memo's estimate of the life-expectancy of the Khanh government has been confirmed in recent days by the rise in

student and Buddhist criticism of his regime. On Saturday nearly 1,000 students met at the Faculty of Sciences in Saigon to protest against the dictatorial decrees which Khanh put into effect on Aug. 7.

In a meeting with a group of student leaders on the same day Khanh refused to make any concessions to their protests.

Henry Cabot Lodge, special envoy for President Johnson in the South Vietnam situation arrived in Brussels, Belgium, Saturday, on his tour of Western Europe. He is seeking to rebuff De Gaulle's initiative in respect to Southeast Asia, particularly his "neutralization" bid.

He is determined to sandbag the Western Allies into offering even a minimum token support of U.S. intervention in South Vietnam.

Thus far, however, his main achievement has been enthusiasm but vague promises from the Belgian government. In Paris, where he began his tour last Monday, he got a cold shoulder from De Gaulle aides.